

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2014

Introduced by Assembly Member Torrico

February 17, 2010

~~An act to amend Section 385.2 of the Public Utilities Code, relating to energy. An act to add Section 17059.2 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2014, as amended, Torrico. ~~Energy efficiency. Income taxes: credits: energy efficient homes.~~

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would, for taxable years beginning on or after January 1, 2010, allow a credit in a specified amount for bringing a qualified principal residence, as defined, into compliance with the recommendations for energy efficiency made by an energy audit of the qualified principal residence.

This bill would take effect immediately as a tax levy.

~~Existing law requires a local publicly owned electric utility, by a specified date, to be responsible for implementing an energy efficiency program that recognizes the Legislature's intent to encourage energy savings and greenhouse gas emission reductions in existing residential and nonresidential buildings.~~

~~This bill would make a technical, nonsubstantive change to this requirement.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) The Legislature recently passed Assembly Bill 32 of the*
4 *2009–10 Regular Session, landmark environmental legislation*
5 *that requires California to reduce its greenhouse gas emissions*
6 *by approximately 30 percent by the year 2020.*

7 *(b) Existing residential buildings are a significant contributor*
8 *to greenhouse gas emissions, and the Legislature recognizes that*
9 *energy savings and greenhouse gas emission reductions are needed*
10 *in the existing residential building stock.*

11 *(c) Energy audits and improvements to existing building stock*
12 *will greatly reduce greenhouse gas emissions, as well as create*
13 *much needed jobs in the energy efficiency, green construction, and*
14 *home improvement fields.*

15 *SEC. 2. Section 17059.2 is added to the Revenue and Taxation*
16 *Code, to read:*

17 *17059.2. (a) (1) For each taxable year beginning on or after*
18 *January 1, 2010, there shall be allowed as a credit against the*
19 *“net tax,” as defined by Section 17039, an amount as specified in*
20 *paragraph (2) for a taxpayer who commissions an energy audit*
21 *of his or her qualified principal residence and makes the*
22 *recommended improvements to improve the energy efficiency of*
23 *his or her qualified principal residence.*

24 *(2) The credit allowed by paragraph (1) shall be the lesser of*
25 *50 percent of the qualified costs that are paid or incurred by a*
26 *taxpayer for the taxable year or one thousand five hundred dollars*
27 *(\$1,500).*

28 *(b) For purposes of this section:*

29 *(1) “Qualified costs” means costs paid or incurred by a taxpayer*
30 *for the repair, rehabilitation, or improvement of a qualified*
31 *principal residence made toward bringing the qualified principal*
32 *residence in compliance with the recommendations of the energy*
33 *audit.*

34 *(2) “Qualified principal residence” means a single-family*
35 *residence, whether detached or attached, that is the principal*
36 *residence of the taxpayer.*

37 *(c) No credit shall be allowed by this section unless the taxpayer*
38 *provides satisfactory substantiation to, and in the form and manner*

1 requested by, the Franchise Tax Board, that the energy audit was
2 conducted and the recommended improvements were made to the
3 qualified principal residence.

4 (d) In the case where the credit allowed by this section exceeds
5 the “net tax,” the excess may be carried over to reduce the “net
6 tax” in the following year, and succeeding years if necessary, until
7 the credit is exhausted.

8 SEC. 3. This act provides for a tax levy within the meaning of
9 Article IV of the Constitution and shall go into immediate effect.

10 SECTION 1. ~~Section 385.2 of the Public Utilities Code is~~
11 ~~amended to read:~~

12 ~~385.2. (a) Upon the completion and promulgation of~~
13 ~~regulations pursuant to subdivision (a) of Section 25943 of the~~
14 ~~Public Resources Code, each governing body of a local publicly~~
15 ~~owned electric utility shall be responsible for implementing an~~
16 ~~energy efficiency program that recognizes the intent of the~~
17 ~~Legislature to encourage energy savings and greenhouse gas~~
18 ~~emission reductions in existing residential and nonresidential~~
19 ~~buildings, while taking into consideration the effect of the program~~
20 ~~on rates, reliability, and financial resources.~~

21 ~~(b) In the report prepared pursuant to Section 9615, each local~~
22 ~~publicly owned electric utility shall include both of the following:~~

23 ~~(1) The utility’s status in implementing an energy efficiency~~
24 ~~program pursuant to subdivision (a) and the utility’s progress~~
25 ~~toward attaining the goal of the program.~~

26 ~~(2) The net energy savings from energy efficiency improvements~~
27 ~~installed pursuant to this section.~~